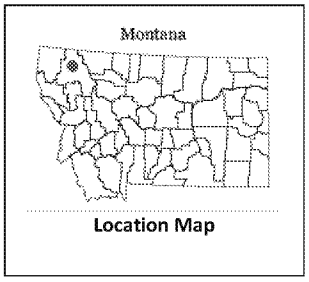


Privileged & Confidential—Do Not Release under FOIA
Prepared by Site Attorney Mark Chalfant & Enforcement Specialist Scott Wilder

BRIEFING FOR ECEJ ARA
Columbia Falls Aluminum Reduction Plant
Superfund Site, Montana

ARA Action Requested: Informational briefing; no ARA action requested at this time

Current and Emerging Issues:

- Proposed Listing on National Priorities List
  - On 3/24/2015, EPA proposed the Site for listing on the NPL; public comment closes 6/2/2015
  - Gov. Bullock, Columbia Falls Mayor Barnhart and Sen. Tester support listing; Rep. Zinke opposes
  - Current owner/operator CFAC opposes listing
  - Past owner/operator ARCO position unknown
- State Referral of Enforcement Case to EPA
  - State referred case to EPA after unsuccessful negotiations with CFAC
- Development of EPA Enforcement Strategy
  - Strategy for securing PRP agreement to conduct Remedial Investigation/Feasibility Study (RI/FS)
    - RI: Characterize site conditions, determine nature of waste, and assess risk
    - FS: Develop, screen and evaluate alternative remedial actions

State RI/FS Negotiations – Current Owner/Operator

- State attempted to negotiate agreement with CFAC and its parent company, Glencore, to perform RI/FS
- Negotiations terminated 12/2014; state declined to re-start RI/FS negotiations as recently as 3/2015

EPA Enforcement Activities

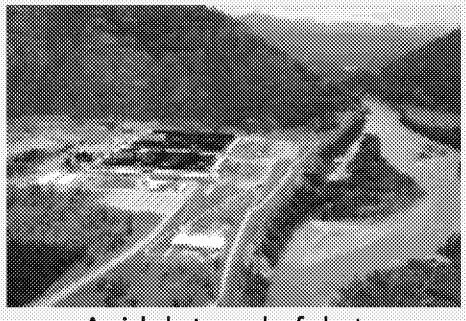
- EPA completed PRP Search Report dated 6/2014
- In 9/2014, EPA issued CERCLA 104(e) Information Requests to CFAC & ARCO

EPA RI/FS Enforcement Strategy – Current and Past Owner/Operators

- Notify CFAC and ARCO of potential CERCLA liability and initiate RI/FS negotiations by 4/30/2015
  - General Notice and Demand Letter
    - Triggers interest on ~$743,000 in past costs
  - Proposed Administrative Order on Consent (AOC)
- Send CERCLA 104(e) to Glencore to clarify Glencore-CFAC parent-subsidiary relationship
- Identify enforcement options if PRP(s) declines RI/FS
  - Unilateral Administrative Order; Fund-lead RI/FS

Columbia Falls Aluminum Reduction Plant*

- The Aluminum Reduction Plant produced aluminum with a peak annual capacity of 180,000 tons
- The Anaconda Company originally owned and operated the plant, which opened in 1955
- In 1977, the **Atlantic Richfield Company (ARCO)** purchased the Anaconda Company and continued to operate the plant until 1985 (PRP #1)
- During the 1960s, ARCO expanded the plant twice
- In 1985, ARCO sold the plant to the **Columbia Falls Aluminum Company (CFAC)** (PRP #2)
- In 1999, **Glencore**, a privately owned, Swiss-based commodity trading company, acquired CFAC (PRP status TBD)
- In 2009, CFAC closed the plant
- In 2015, Glencore announced that it would not reopen the plant
- The plant was a major economic engine for the Columbia Falls community, and employed 500 people at full capacity



Aerial photograph of plant

**Company website/press release*

Site Description

- Located ~2 miles NE of the City of Columbia Falls (pop. 1,150) in Flathead County, MT (pop. 90,928)
- 3,196-acre industrial property with numerous buildings and industrial operating facilities
- 953-acre historical operations area
- Site features include percolation ponds, leachate ponds, sludge ponds, sewage treatment ponds, cathode soaking pits and landfills

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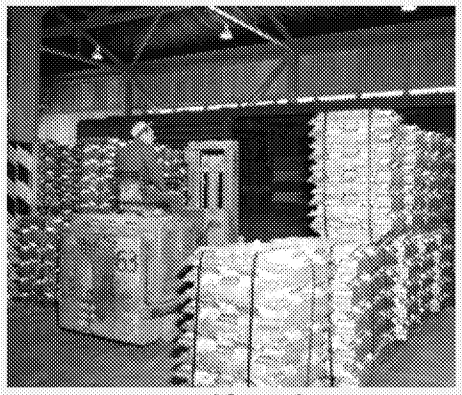
Aluminum Reduction Process: Spent Potliner Material

- Plant utilized aluminum reduction process to produce aluminum
- A byproduct of the process is spent potliner material (SPM)
- SPM is known to contain cyanide and flouride compounds that can leach into groundwater
- Cyanide and flouride compounds are CERCLA hazardous substances
- SPM was disposed of in on-site landfills from ~1955 to ~ 1985
- Other waste was also disposed of on site



First metal from plant being loaded onto railroad cars by forklift operator on 8/24/1955

Attribution: Hungry Horse News (2015)

Potential Site Risks

Site Investigation

- In 1984, MDHES performed a Preliminary Assessment
- In 1988, EPA conducted Site Investigation and classified site as No Further Remedial Action Planned
- In 1998, MDEQ requested CFAC removal spent potliner material due to improper disposal of hazardous waste
- Cyanide detected in all pot diggings material samples (highest = 2.1 ppm) + half of soil samples under waste pile
- State declared no further clean-up action required given EPA Residential Risk-Based Criteria of 1,600 ppm for cyanide

Site Reassessment

- In 2014, EPA completed a Site Reassessment, which showed elevated levels of cyanide (highest = XX ppm) and flouride (highest = XX ppm)
- Sampling limited to percolation ponds + monitoring wells up/downgradient of landfills; not taken directly from landfills
- Nearest residences are located ~1 mile N, SE & W of site
- Residential well sampling showed XXXXX; XXXXX XXXXX XXXXX

Percolation Ponds (Water and Sediment)
Contaminants: Cyanide; fluoride; semi-VOCs; metals; pesticides
Sources: Aerial deposition; ponds received process fluids that have since (partially) evaporated or percolated

Groundwater (Downgradient of Landfills)
Contaminants: Cyanide; fluoride; metals; pesticides
Sources: Leaching from landfills and sludge pond complex; percolation ponds and potentially other unknown sources

Surface Water (Cedar Creek and Flathead River)
Contaminants: Cyanide; fluoride; metals
Sources: Groundwater infiltration; groundwater seeps

NPL Listing

Hazard Ranking System (HRS) Package

- HRS Score: 68.39 (groundwater + surface water pathways)
- In 2014, ECEJ sent CERCLA 104(e) to PRPs to aid NPL listing

NPL Listing Timeline

- Depends upon public comment
- 180 days if no comment; ≥ 1 year if comment

Community Engagement

- EPA Communications Strategy
- State and EPA public meetings
- Outreach to elected local, state and federal officials